

# Working With Retailers

Do you have what it takes to approach a retailer? Our workshop with Kat from [Make Collectives](#) gave us so much great info. Here is some of what we learned.

Make sure that before you approach a retailer you go through this checklist.

## ☐ Understand Your Goals & Motivations

Know what you want out of your business. Selling wholesale has its tradeoffs. Sit down and figure out how heavily wholesale should figure into your business' revenue mix and if it will free you up to do more of what you love. Some people love working in a more sales position like at craft shows and some will not be able to sell all of their product line in shops because of the margins. How many shops will you need to be in to get where you want?

***“Reasons first, results second.”-- Kat Engel, owner of Make Collectives in Long Beach***

## ☐ Confidence: Understand Your Brand

If you are venturing into wholesale, it is likely because you have already had some success selling directly to customers. You know people already like your product-- and you probably know why. So make sure you come armed knowing what people love about your product and be able to communicate what will do well at the store you're approaching. They will appreciate your knowledge!

## ☐ Pricing Preparation

Understand the typical terms of wholesale (some industries vary) and the difference between that and consignment. Some stores will start you out on that route. Also, make sure you have figured out that your pricing is sustainable for wholesale (about a 50% cut). Some of your products might not work to wholesale, then.

## ☐ Store Research

Know what the store is like before reaching out. Is your product priced right for their customer? Know what they sell and why your product would do well there.

## ❑ **Something to Leave with Retailers**

You should have a linesheet at the very least (with all of the product information listed on it) but a catalog and business cards are also helpful. Get your “wholesale” packet ready that you can hand out when you meet with a retailer and if they happen to see you at a craft show.

## ❑ **Your Online Presence is Ready**

The buyer will likely do some research on you and you want to be presenting as professional an image as possible. They will also notice how much you are selling the product for. There is allowance for some discrepancy in prices, but it usually shouldn't be much more than 10% either way.

## ❑ **Know Your Terms**

This can change as you develop more of a relationship with a store and also as you become more “in demand.” But know how and when you will be paid, what your minimums are, if you do samples, lead times on products, returns, etc.

## ❑ **Get their information**

If a potential wholesale buyer does take the time to talk to you, make sure you get their name and contact information. In the stress of the moment it's easy to forget names, so write it down if it's not mentioned on their company card. You'll want to be sure you have a way to follow up with them if they don't contact you, and it's important to personalize that with their name and key details from your conversation, to jog their memory.

What are 10 reasons

## **By the Numbers**

You can think of wholesale numbers with the following example...

### **Direct-to-customer pricing:**

\$20 – Total direct costs

\$45 – Price (this includes the amount you would like to make for your time)

\$25 – Total profit per item

### **Wholesaling:**

\$45 – Price

\$22.50 – Price per item at wholesale discount of 50%

\$20 – Total direct costs

\$2.50 – Total profit per item

In this example, the seller needs to consider if \$2.50 per item is enough profit to justify the sale. It may seem low, but it may just be worth the sale. Depending on the quantity purchased, this profit

can add up to a tidy sum. For instance, if you are selling 10 items, this profit is \$20.50 and at 50 items \$102.50.

## *Tips from Maker Kristina of Wilderess*

- ❑ Don't be afraid to ask your shops for a selling report
- ❑ Dress the part-- as a maker you and your story matter. Do you look like your brand?
- ❑ Showing that you have other stockist show someone else is willing to invest in you.
- ❑ Don't try to be in shops that are too close to shops you are already in. This might mean turning to down lesser shops if you have your sights set on a "perfect" shop.
- ❑ Look at the store's Instagram feed to see if the store is good to its wholesalers. Are they pushing pictures of their products out?
- ❑ Retailers are watching what you're making and thinking about how it will fit into their shop in the next season.
- ❑ Bring or send samples--especially if it's a store you want to court.

***"When it comes to money, you can never be too annoying."--  
Kristina Kochan, owner of Wilderess***

- ❑ Create vignettes on linesheets so people see how your products work together or can be merchandised. Include little stories too-- this is more like a catalog and linesheet combo.
- ❑ DON'T tell a store that "you've been going around to all the stores nearby"... it shows you don't care about their store or understand their audience.

- ❑ Be creative with how you approach people.**
- ❑ You want reorders, because that's how you build a stable business. So make sure your product is in stores where it will move quickly.**
- ❑ Be prepared for questions about lead times. Sometimes a lead time for a retailer is too long.**
- ❑ Nail your pricing for the get go and have room to move if your materials costs change.**
- ❑ Be open and on top with your communication-- don't squander momentum!**
- ❑ Ask retailers for promotional opportunities like gift with purchase, seasonal specials, online contests, pop ups, or trunk shows. Just know that a lot of retailers might not be.**
- ❑ Offer to train employees if your product is one that is not self explanatory, has special ingredients or customers aren't familiar with it.**